

# October 29, 2008

Q: In EQIP, can we have 590 on 500 acres for basic mgt AND 500 acres of high mgt. for the same years on different fields?

A: Yes, as long as neither has been applied on those acres. Each has to meet the EQIP requirements (basic or high). Ensure that the correct practice payment scenario is used in the Toolkit plan and the ProTracts contract.

Q: Are the caps on 590 and 595 per practice code or per Scenario? Can the producer apply for 500 Ac of Nut Mgt High and 500 Ac of Nut Mgt Basic all in one application or is it 500 ac of Nut mgt no matter the level?

A: The caps for 08 are per scenario, in other words the participant can receive payment for 500 acres of 590 or 595 Basic and can receive payment for 500 acres of 590 or 595 High on different acres. They can also receive payment for both Basic and High levels on the same acres if the Basic is completed for 3 years and then the system is upgraded to the High requirements for 3 years.

Q: Are people raising horses eligible for EQIP?

A: If they can show that they are breeding and selling them, or otherwise have \$1000 in ag sales, and meet the other basic EQIP eligibility, then yes they are eligible. Non-ag operations where horses are held only as pets or hobbies are NOT eligible.

Q: I was contacted by a person that raises standard bred race horses. He makes his living by buying and selling race horses. He gets purse money for racing. He's been breeding horses for several years. He is looking to purchase land but has not yet made the purchase. The land was in soybeans last year and they would be converting it to grass for paddock establishment to turn the horses out on. Is he an eligible agricultural producer for EQIP?

A: If he meets the requirements stated in the question and answer above he could be an eligible producer. Part of the basic requirements is control of the land. However; the things he wants to do may not get ranking points in this situation.

From the Grazing Livestock Operations bullet at the top of page 3 of the 2008 Indiana Guidelines- "As of the date of the application, sites that do not have the species and animal units that the practices are planned for adjacent to an existing livestock operation under ownership of the applicant, **do not have resource concerns addressed by those planned practices, and will be ranked accordingly** unless the livestock will go from a confined or overstocked situation to a Prescribed Grazing system, with no more than a 20% increase in animal units.

This requirement is not intended to prevent using Pasture and Hayland Seeding (512) to convert cropland to pasture or hay. In this case, the cropland could have existing resource concerns like air quality, energy, excessive nutrients, organic matter depletion, or soil erosion that would be addressed by the conversion to pasture or hay and should be ranked accordingly."

The applicant **may** be eligible, but the application may not receive sufficient ranking points to get funded.

Q: I have an application that has 2 tracts of land on it. One tract I want to start no-till in 2008. The other tract I want to start no-till in 2009 due to land leveling of the tract this fall. Both tracts are going to start the 590-595 this spring. Dave feels this is not eligible due to it being 4 years of incentives. I am looking at the fact that both tracts will only get 3 years of incentives. Also both will have something started within the first year.

A: Per 440-CPM, part 512 Conservation Program Contracting, (512.32, B-1) incentive payments are limited to three years. We have determined that NHQ intended to limit paying for an incentive

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to three times in any given contract not three times for a given field or tract within the contract. Even though this participant would be under the acre cap, as planned, it is not permissible to pay for a fourth time in the situation you describe.

You could reschedule all no-till to start in 09, or you can remove the 4th payment you had planned on the 16 acres. Either way allows you to maintain only three years of payment for no-till. One way the acres are less in the first year and the full amount in the remaining two years.

Q: I have an application for a partnership. In our system the FTE is showing up ineligible due to no association for the HEL and Wetland Categories because they are not associated with a farm. How do I make this eligible, is it even possible? FSA stated that they can pay the partnership and there are no problems with their eligibility.

A: There is nothing that you can do to make this eligible. If a person or entity is not associated with the land then they are not EQIP eligible per NRCS Chief's decision. As a partner in the partnership applying they are requesting benefits. This is a case of our program specific requirements being tighter than FSAs.

Q: We need to be able to schedule the TA Practice 912 (application) & 913 (checkout) in year 2 and 3 for the 590 and 595 practices. This will insure the applicant continues working with the TSP throughout the contract period. It won't be that much more money in the contract. Looking through the contract manual and EQIP documents the only guidance I find that limits use of TA is in the EQIP Indiana State Guidelines. Is there policy or guidelines that prevent use of 912/913 in the second/third year? This would primarily apply to 590, 595 & 633 practices. The TA practices could be scheduled in the application with no TA dollars attached for the 2nd/3rd year of the practice. The contract would require a modification both years to add the TA funds (I don't like that part of it).

A: Federal financial law governs the use of TA funds. They are current year funds and must be spent in the year in which they are allotted to the agency; therefore, we are not able to commit them into future years of a contract. Additionally, 912 and 913 were not intended to be recurring payments. We pay for installation and checkout of a practice once. We are specifically prohibited by EQIP policy from paying for O&M costs on any practice.

The Indiana EQIP Guidelines are an amendment to the national EQIP manual and are thereby Indiana EQIP policy. That policy states specifically that "911, 912, and 913 are only available one time per contract on a practice", that "912 and 913 are only eligible the first year of practice implementation", and that **"912 and 913 shall be submitted together"**. This was structured this way intentionally to reduce contract management input by DCs by reducing multiple payments under \$50 on all of our contracts. When we ran calculations on many of these 912 and 913 CINs, payments were less than \$25, some were less than \$10. Our administrative time to process those payments is 2-3 greater than the payment; therefore, I do not see us changing the Indiana policy.

**It is permissible** to put 900 series codes in a contract in a future year with a \$0 dollar amount. This only serves as a place holder and does not commit future funds that we do not have. NHQ is currently working with OMB to get TA funds listed as "no-year" funds, like FA. If that happens we would have more options for TA funds.

Q: Are we getting Ground and Surface Water Conservation funds for EQIP this year? I noticed that there is a per acre incentive for irrigation efficiency but I didn't see anything about all the other incentives that were offered last year for getting an irrigation efficiency plan written, etc.

A: No G&SWC funds this year. The only EQIP eligible payment for irrigation is Irrigation Water Management. All other irrigation practices last year were under the G&SWC cost list.